

**THE CALIFORNIA DEBT AND
INVESTMENT ADVISORY COMMISSION**

State Treasurer Phil Angelides, Chair



Presents

**INVESTING PUBLIC FUNDS:
FUNDAMENTALS OF MANAGING
YOUR PORTFOLIO**

November 6-7, 2003

**Embassy Suites Hotel - Marin County Conference Center
San Rafael, California**

**The California Debt and Investment Advisory Commission
915 Capitol Mall Room 400
Sacramento, CA 95814**

FIRST CLASS

INVESTMENTS SEMINAR

ABOUT THE PROGRAM

Investing Public Funds: Fundamentals of Managing Your Portfolio is a one and one-half day seminar designed to provide public officials and their staff with relevant information about their fiduciary obligations, oversight responsibilities for the investment of public funds, and general investment strategies for portfolio management. The seminar provides an introduction to fundamental investment concepts and commonly used investment instruments. The program includes an overview of cash flow analysis and a presentation on the roles of investment advisors and broker/dealers. Included in the program is also a discussion of the day-to-day management of public funds benchmarking for performance. A practical case completes the seminar by enabling participants to apply tools and concepts learned throughout the program to their investment policies and portfolio management.

WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved in the investment of public funds. Representatives from cities, counties, state, special districts, schools and community college districts, redevelopment agencies, and elected officials are especially encouraged to attend.

GENERAL INFORMATION

Registration is limited to public agency officials and their staff. *No walk-in registrations will be accepted.* Full refunds will be made to registered participants if the Commission cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. **No refunds will be honored for cancelled registrations after the seminar registration deadline of October 14, 2003. Late registrations will be accepted after October 14, 2003, if space is available.**

LODGING

Hotel reservations should be made with the Embassy Suites Hotel, 101 McInnis Parkway, San Rafael, California at (415) 499-9222. A special room rate of \$110.00 is available to seminar participants. When making reservations, please indicate that you are attending the CDIAC Investing Public Funds seminar. **The deadline for hotel reservations for the special room rate is October 14, 2003.**

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SEMINAR REGISTRATION FORM

To register, please complete this form and return it before the final registration deadline to the California Debt and Investment Advisory Commission (CDIAC). One form is required for each participant. **Payment of the registration fee must be enclosed.** Registration is limited to public agency officials and their staff. No refunds will be honored after the **registration deadline of October 14, 2003.** Registrations after **October 14, 2003** will be accepted only if space is available. *You will receive a confirmation notice once a registration form and check are received by CDIAC.*

(Please print or type)

NAME _____

TITLE _____

AGENCY _____

STREET _____

CITY/STATE/ZIP _____

TELEPHONE _____ FAX _____

E-MAIL _____

Investing Public Funds: Fundamentals of Managing Your Portfolio

Embassy Suites Hotel - Marin County Conference Center

101 McInnis Parkway

San Rafael, California 94903

(415) 499-9222

FAX: (415) 499-9268

Hotel accommodations will be at the Embassy Suites Hotel will be at the special contracted room-rate of \$110.00 for workshop attendees until October 17, 2003, or until designated room blocks are filled.

Registration Fee: \$195.00

Enclosed is my check for \$ _____

Make check(s) payable to:

California Debt and Investment Advisory Commission

Mail your registration to:

Seminar Programs

California Debt and Investment Advisory Commission

915 Capitol Mall, Room 400

Sacramento, CA 95814

Phone: (916) 653-3269

FAX: (916) 654-7440

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San Rafael, California

AGENDA

THURSDAY NOVEMBER 6, 2003

8:00 AM **REGISTRATION**
Complimentary rolls and coffee

8:30 AM **WELCOME AND SEMINAR OPENING**

SESSION I

8:45 AM **UNDERSTANDING THE RESPONSIBILITIES OF PUBLIC FUND INVESTING**
The purpose of this session is to review the oversight responsibilities, legal and fiduciary obligations, and ethical considerations of local officials who are responsible for the investment of public funds. The session includes a discussion of the prudent person rule, personal liability of California public officials, and the legal role of investment oversight committees under state law. This session also covers developing an investment policy, measuring risk, developing performance measures and objectives, and issuing periodic investment reports. The importance of understanding risks and rewards and the jurisdiction's cash-management needs will also be addressed.

Chuck Lomeli, County of Solano
Russell Cohran Branson, City of Roseville

SESSION IV

2:00 PM **CASH FLOW ANALYSIS IN PORTFOLIO MANAGEMENT AND INVESTING IDLE CASH**
Cash flow characteristics allow investment professionals to determine more permanent balances that can be invested beyond the end of the current operating cycle and allow the entity to maximize returns while providing adequate liquidity. This session provides guidelines for analyzing cash flow, forecasting cash needs, and matching investment maturities to cash needs as the basis for an investment program. A basic discussion provides a look at short-term debt issuance as a cash management tool.

Lee Buffington, County of San Mateo

3:00 PM **BREAK**

SESSION V

3:15 PM **THE DAY-TO-DAY MANAGEMENT OF PUBLIC FUNDS AND INVESTMENT REPORTS**
This session reviews the day-to-day activities that go along with managing an agency's investment portfolio. The daily procedures and strategies for managing a portfolio are covered, including securities clearance and investment and market monitoring.

Raymond Day, City of San Diego
Jenine Windeshausen, Placer County

10:00 AM **BREAK**

SESSION II

10:15 AM **INVESTMENT CONCEPT FUNDAMENTALS**

This session provides definitions and illustrations of the financial concepts and terms related to investing public funds including:

- Definitions and descriptions of the permitted investment instruments and considerations for investing in local government pools.
- Methods for evaluating the risks and rewards of the various investment instruments and guidelines for selecting the most appropriate investment options taking into consideration safety, liquidity and yield.
- Discussion of risk considerations in building a short-term portfolio, including addressing questions such as is our maturities balanced? Are our assets diversified? How will the portfolio perform when interest rates decline or increase?

Linda Patterson, Patterson Associates
Joya DeFoor, City of Los Angeles

12:00 PM **Luncheon for all participants and speakers**
Keynote Presentation: Victor E. Ume-Ukeje,
US Bancorp Piper Jaffray

SESSION III

1:00 PM **THE ROLES AND RESPONSIBILITIES OF INVESTMENT ADVISORS AND BROKER/DEALERS**

This session provides insight for when it is appropriate to utilize the services of an investment advisor and a broker/dealer. It highlights the roles and responsibilities of an investment advisor, the services they can provide to an investor, the selection criteria, and the fees and costs associated with the use of an advisor. In addition, it provides information regarding methods for negotiating with broker/dealers, their compensation, and how government agency can ensure a broker/dealer is working in its best interest.

Kay Chandler, Chandler Asset Management
Tony Garcia, Wells Fargo Bank

4:00 PM **BENCHMARKING FOR PERFORMANCE**

This session focuses on benchmarking as an investment management and oversight tool. The speaker addresses the purpose, use, and development of benchmarks; the benefits of benchmarking; and the evaluation of investments against them.

Deanne Woodring, D.A. Davidson

5:00 PM **RECEPTION**

FRIDAY NOVEMBER 7, 2003

8:00 AM **CHECK IN**
Complimentary rolls and coffee

SESSION VI

8:30 AM **HYPOTHETICAL CASE STUDY**

This session will provide participants with the opportunity to evaluate a hypothetical city's investment policy and portfolio by applying tools and approaches learned in earlier sessions. The decision-making process will be discussed and critiqued by presenters. It is anticipated that there will be significant participation in this session by the seminar participants.

Moderator: Nancy Jones, PFM
Panelists: Joya DeFoor, City of Los Angeles
Lee Buffington, County of San Mateo
Deanne Woodring, D.A. Davidson
Tony Garcia, Wells Fargo Bank

10:15 AM **BREAK**

10:30 AM **CASE STUDY (Continued)**

11:30 AM **ADJOURNMENT AND EVALUATION**